

# HOUSE BILL 1435

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CF SB 1022

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By: **Delegates Harrison, Branch, Glenn, Haynes, Kirk, and Stukes**

Introduced and read first time: February 24, 2010

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters and Ways and Means, March 8, 2010

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Committee Report: Favorable

House action: Adopted

Read second time: March 24, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City Charter – Community Benefits District – East Baltimore**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore to establish  
4 by ordinance a Community Benefits District in the East Baltimore section to be  
5 a special tax district and provide certain services; authorizing the Mayor and  
6 City Council to establish a Community Benefits District Authority to provide  
7 certain services; requiring a certain ordinance to include certain provisions;  
8 requiring the Authority to establish a certain financial plan for the District  
9 under certain circumstances; requiring a certain financial plan to be subject to  
10 approval by the Baltimore City Board of Estimates; requiring the Authority to  
11 hold a public hearing on a certain financial plan; providing that certain property  
12 that is exempt from certain taxes be exempt from District taxes; authorizing the  
13 Authority to request that certain owners voluntarily contribute to the costs of  
14 the Authority; providing for a Board of Directors of the Authority; providing  
15 certain powers, duties, and limitations of the Community Benefits District  
16 Authority; providing that the District, Authority, Board of Directors, and  
17 District Administrator shall benefit from certain laws limiting liability under  
18 certain circumstances; providing that the Authority shall be subject to certain  
19 City ordinances and goals regarding minority and women's business  
20 enterprises; requiring the Mayor and City Council to take certain matters into  
21 consideration and make certain determinations when enacting certain  
22 ordinances; prohibiting the Mayor and City Council from authorizing certain  
23 reductions in services; providing for the reversion of unspent funds under a  
24 certain condition; placing a certain condition on a certain ordinance taking

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 effect; defining certain terms; and generally relating to the establishment of a  
2 Community Benefits District in East Baltimore.

3 BY adding to  
4 The Charter of Baltimore City  
5 Article II – General Powers  
6 Section (65)  
7 (2007 Replacement Volume, as amended)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **The Charter of Baltimore City**

11 **Article II – General Powers**

12 The Mayor and City Council of Baltimore shall have full power and Authority to  
13 exercise all of the powers heretofore or hereafter granted to it by the Constitution of  
14 Maryland or by any Public General or Public Local Laws of the State of Maryland; and  
15 in particular, without limitation upon the foregoing, shall have power by ordinance, or  
16 such other method as may be provided for in its Charter, subject to the provisions of  
17 said Constitution and Public General Laws:

18 **(65)**

19 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
20 **MEANINGS INDICATED.**

21 **(2) “AUTHORITY” MEANS THE COMMUNITY BENEFITS DISTRICT**  
22 **AUTHORITY CREATED IN ACCORDANCE WITH THIS SECTION AND ANY**  
23 **ORDINANCE ENACTED UNDER THIS SECTION.**

24 **(3) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE**  
25 **AUTHORITY.**

26 **(4) “DISTRICT” MEANS A COMMUNITY BENEFITS DISTRICT**  
27 **CREATED IN ACCORDANCE WITH THIS SECTION AND ANY ORDINANCE ENACTED**  
28 **IN ACCORDANCE WITH THIS SECTION.**

29 **(5) “DISTRICT TAXES” MEANS THE TAXES AND OTHER CHARGES**  
30 **IN THE NATURE OF PROPERTY TAXES THAT ARE AUTHORIZED IN ACCORDANCE**  
31 **WITH THIS SECTION AND ANY ORDINANCE ENACTED UNDER THIS SECTION.**

32 **(6) “EAST BALTIMORE SECTION” MEANS THAT PORTION OF**  
33 **BALTIMORE CITY GENERALLY BOUNDED:**

1                   (I)    ON THE WEST, BY THE WESTERNMOST PROPERTY LINE  
2 OF THE PROPERTIES FACING BROADWAY;

3                   (II) ON THE NORTH, BY THE RIGHT-OF-WAY OF THE  
4 RAILROAD CORRIDOR USED BY AMTRAK;

5                   (III) ON THE EAST, BY THE EASTERNMOST PROPERTY LINE  
6 OF THE PROPERTIES FACING PATTERSON PARK AVENUE; AND

7                   (IV) ON THE SOUTH, BY THE MIDDLE OF MADISON STREET.

8                   (7)    “PROPERTY TAX” HAS THE SAME MEANING AS STATED IN §  
9 1-101 OF THE TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF  
10 MARYLAND.

11            (B)    SUBJECT TO SUBSECTION (N) OF THIS SECTION, THE CITY MAY:

12                   (1)    ESTABLISH, BY ORDINANCE, A DISTRICT WITHIN THE EAST  
13 BALTIMORE SECTION OF THE CITY OF BALTIMORE TO BE A SPECIAL TAX  
14 DISTRICT AND TO PROVIDE SERVICES CONSISTENT WITH ITEM (2) OF THIS  
15 SUBSECTION TO THE BUSINESSES AND RESIDENTS OF THE PROPOSED DISTRICT;  
16 AND

17                   (2)    ESTABLISH, BY ORDINANCE, AN AUTHORITY TO:

18                    (I)    ADMINISTER THE PROGRAMS AND ACTIVITIES TO BE  
19 CONDUCTED BY THE AUTHORITY;

20                    (II)   PROMOTE AND MARKET THE DISTRICT;

21                    (III)   PROVIDE        SUPPLEMENTAL        SECURITY        AND  
22 MAINTENANCE SERVICES;

23                    (IV)   PROVIDE AMENITIES IN PUBLIC AREAS;

24                    (V)    PROVIDE PARK AND RECREATIONAL PROGRAMS AND  
25 FUNCTIONS; AND

26                    (VI)   PROVIDE OTHER SERVICES AND FUNCTIONS AS  
27 APPROVED BY AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF  
28 BALTIMORE, PROVIDED THAT THE SERVICES AND FUNCTIONS SHALL BE  
29 PROVIDED WITHIN THE DISTRICT, OR, TO THE EXTENT AUTHORIZED, WITHIN  
30 AREAS ADJACENT OR ADJOINING TO THE DISTRICT.

1           **(C) THE ORDINANCE ESTABLISHING THE DISTRICT AND THE**  
2 **AUTHORITY SHALL:**

3                   **(1) SPECIFY THE NAME FOR THE DISTRICT AND THE AUTHORITY;**

4                   **(2) SPECIFY THE METHOD FOR ESTABLISHING AND MODIFYING**  
5 **THE BOUNDARIES OF THE DISTRICT, WHICH MAY INCLUDE METHODS BY WHICH:**

6                           **(I) PROPERTY OWNERS MAY PETITION TO BE INCLUDED IN**  
7 **THE DISTRICT; AND**

8                           **(II) PROPERTY OWNERS, TENANTS, OR RESIDENTS OF**  
9 **BLOCKS OR PORTIONS OF BLOCKS CONDUCT A REFERENDUM TO BE INCLUDED**  
10 **IN THE DISTRICT;**

11                   **(3) SPECIFY THE POWERS AND FUNCTIONS WITHIN THE LIMITS OF**  
12 **THIS SECTION THAT MAY BE EXERCISED BY THE AUTHORITY;**

13                   **(4) AUTHORIZE THE IMPOSITION OF DISTRICT TAXES AS THE**  
14 **PRIMARY MEANS OF SUPPORT FOR THE DISTRICT AND SPECIFY ANY LIMITS ON**  
15 **THE DISTRICT TAXES;**

16                   **(5) SPECIFY THE DURATION OF THE DISTRICT AND THE**  
17 **AUTHORITY, OR THE MEANS BY WHICH THE CONTINUANCE OF THE DISTRICT**  
18 **AND THE AUTHORITY MAY BE THE SUBJECT OF A FURTHER ORDINANCE;**

19                   **(6) PROVIDE FOR THE COLLECTION OF DISTRICT TAXES AND FOR**  
20 **THE PROMPT DISBURSEMENT OF THE REVENUE TO THE AUTHORITY SUBJECT**  
21 **TO SUBSECTION (E) OF THIS SECTION;**

22                   **(7) DETERMINE WHETHER CLASSES AND SUBCLASSES OF**  
23 **PROPERTY IN THE DISTRICT MAY BE ESTABLISHED AND THE EXTENT TO WHICH**  
24 **EACH CLASS OR SUBCLASS SHALL BE SUBJECT TO OR EXEMPT FROM DISTRICT**  
25 **TAXES OR VARYING RATES OF DISTRICT TAXES AND THE EXTENT TO WHICH**  
26 **SPECIFIC AREAS OF THE DISTRICT MAY EXERCISE DISCRETION AS TO THE USE**  
27 **OF DISTRICT TAXES GENERATED BY THE AREAS;**

28                   **(8) SPECIFY THE METHOD FOR DETERMINING DISTRICT TAXES**  
29 **TO BE IMPOSED ON CLASSES AND SUBCLASSES OF PROPERTY UNDER THIS**  
30 **SECTION, INCLUDING THE CREATION OF CREDITS AGAINST DISTRICT TAXES TO**  
31 **ASSIST LOW-INCOME FAMILIES;**

1           **(9) SPECIFY THE EXTENT TO WHICH THE AUTHORITY MAY**  
2 **PROVIDE ADDITIONAL SERVICES FOR A FEE EITHER WITHIN OR OUTSIDE THE**  
3 **DISTRICT; AND**

4           **(10) DETERMINE THE ORGANIZATION AND METHOD OF INITIAL**  
5 **APPOINTMENT OF OFFICERS AND BOARD MEMBERS OF THE AUTHORITY,**  
6 **SUBJECT TO SUBSECTION (F) OF THIS SECTION.**

7           **(D) (1) THE AUTHORITY SHALL ESTABLISH A FINANCIAL PLAN FOR**  
8 **THE DISTRICT WHEN REQUIRED BY AN ORDINANCE ENACTED UNDER THIS**  
9 **SECTION.**

10           **(2) THE FINANCIAL PLAN, INCLUDING ITS ANNUAL BUDGET,**  
11 **DISTRICT TAX RATES, AND SCHEDULE OF OTHER FEES AND CHARGES, SHALL BE**  
12 **SUBJECT TO APPROVAL BY THE BOARD OF ESTIMATES.**

13           **(3) THE FINANCIAL PLAN MAY INCLUDE PROVISIONS FOR**  
14 **ALLOCATING RESOURCES TO THE PARTICULAR NEEDS OF THE DISTRICT,**  
15 **INCLUDING ALLOCATIONS TO PARTICULAR SECTIONS OF THE DISTRICT OR TO**  
16 **PARTICULAR USES WITHIN THE DISTRICT.**

17           **(E) (1) BEFORE ADOPTING ITS PROPOSED BUDGET AND MAKING ITS**  
18 **RECOMMENDATIONS TO THE CITY, THE AUTHORITY SHALL HOLD A PUBLIC**  
19 **HEARING ON THE FINANCIAL PLAN PROPOSED FOR THE DISTRICT.**

20           **(2) THE AUTHORITY SHALL PUBLISH NOTICE OF THE HEARING**  
21 **UNDER PARAGRAPH (1) OF THIS SUBSECTION IN A NEWSPAPER OF GENERAL**  
22 **CIRCULATION IN BALTIMORE CITY AT LEAST ONCE A WEEK FOR 3 CONSECUTIVE**  
23 **WEEKS BEFORE THE HEARING.**

24           **(3) PROPERTY IN THE DISTRICT THAT IS EXEMPT UNDER STATE**  
25 **LAW FROM ORDINARY PROPERTY TAXES SHALL BE EXEMPT FROM DISTRICT**  
26 **TAXES.**

27           **(4) THE AUTHORITY MAY REQUEST THE OWNERS OF PROPERTY**  
28 **EXEMPT FROM TAXES UNDER PARAGRAPH (3) OF THIS SUBSECTION TO**  
29 **VOLUNTARILY CONTRIBUTE TO THE COSTS OF THE AUTHORITY.**

30           **(F) (1) THE GOVERNING BODY OF THE AUTHORITY SHALL BE THE**  
31 **BOARD OF DIRECTORS.**

32           **(2) EACH VOTING MEMBER OF THE BOARD SHALL BE AN OWNER,**  
33 **OR, WHEN THE OWNER IS A CORPORATION, LIMITED LIABILITY COMPANY,**  
34 **PARTNERSHIP, TRUST, OR ANY OTHER LEGAL ENTITY, REPRESENTATIVES OF**

1 OWNERS OF PROPERTIES IN THE DISTRICT THAT ARE SUBJECT TO DISTRICT  
2 TAXES UNDER THIS SECTION.

3 (3) AN ORDINANCE ENACTED UNDER THIS SECTION MAY  
4 ESTABLISH TWO OR MORE CLASSES OF BOARD MEMBERS AND MAY REQUIRE  
5 CERTAIN ACTIONS TO BE MADE SUBJECT TO THE APPROVAL OF EACH CLASS OF  
6 BOARD MEMBERS.

7 (G) AS PROVIDED BY AN ORDINANCE ENACTED UNDER THIS SECTION,  
8 THE AUTHORITY MAY:

9 (1) CONDUCT THE FUNCTIONS THAT ARE ASSIGNED TO THE  
10 AUTHORITY BY THE ORDINANCE;

11 (2) ACQUIRE, HOLD, AND USE PROPERTY NECESSARY TO ACHIEVE  
12 THE AUTHORITY'S PURPOSES;

13 (3) ENTER INTO CONTRACTS;

14 (4) SUE AND BE SUED, SUBJECT TO SUBSECTION (H) OF THIS  
15 SECTION;

16 (5) BORROW AND ACCEPT GRANTS;

17 (6) EMPLOY AND DISCHARGE PERSONNEL;

18 (7) PROPOSE IN THE AUTHORITY'S ANNUAL BUDGET THE  
19 DISTRICT TAXES IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION;

20 (8) ADOPT, AMEND, AND MODIFY BYLAWS, ALL OF WHICH SHALL  
21 BE SUBJECT TO THE APPROVAL OF THE BOARD OF ESTIMATES;

22 (9) ESTABLISH AND ELECT OFFICERS, AND PROVIDE FOR TERMS  
23 OF OFFICE AND THE DUTIES OF THE OFFICERS;

24 (10) CONTRACT FOR AND PURCHASE GOODS AND SERVICES IN  
25 ACCORDANCE WITH SUBSECTION (I) OF THIS SECTION; AND

26 (11) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT  
27 THE AUTHORITY'S POWERS AND OBLIGATIONS UNDER THIS SECTION AND THE  
28 ORDINANCE ENACTED UNDER THIS SECTION.

29 (H) THE DISTRICT, THE AUTHORITY, THE BOARD, AND ANY  
30 ADMINISTRATOR OF THE DISTRICT SHALL BENEFIT, TO THE FULLEST EXTENT

1 ALLOWABLE BY LAW, FROM ALL PROVISIONS OF FEDERAL, STATE, AND LOCAL  
2 LAW LIMITING THE LIABILITY OF EMPLOYEES, OFFICERS, AGENTS, AND  
3 OFFICIALS OF GOVERNMENTAL UNITS.

4 (I) THE AUTHORITY SHALL BE SUBJECT TO CITY ORDINANCES AND  
5 CITY POLICY REQUIRING ACHIEVEMENT OF GOALS REGARDING MINORITY AND  
6 WOMEN'S BUSINESS ENTERPRISES.

7 (J) THE AUTHORITY MAY NOT:

8 (1) EXERCISE ANY POLICE OR GENERAL POWERS OTHER THAN  
9 THOSE AUTHORIZED BY STATE LAW AND CITY ORDINANCE;

10 (2) PLEDGE THE FULL FAITH OR CREDIT OF THE CITY;

11 (3) IMPOSE TAXES OR CHARGES IN EXCESS OF THOSE APPROVED  
12 BY THE BOARD OF ESTIMATES;

13 (4) EXERCISE THE POWER OF EMINENT DOMAIN;

14 (5) ENGAGE IN COMPETITION WITH THE PRIVATE SECTOR,  
15 EXCEPT AS OTHERWISE PROVIDED BY LAW, AND AS NECESSARY TO EXERCISE  
16 THE POWERS PROVIDED FOR UNDER THIS SECTION AND IN ANY ORDINANCE  
17 ENACTED UNDER THIS SECTION;

18 (6) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (M) OF  
19 THIS SECTION, REVERT CHARGES OR TAXES COLLECTED IN ACCORDANCE WITH  
20 THIS SECTION TO THE GENERAL FUND OF THE CITY;

21 (7) BE AN AGENCY OF THE MAYOR AND CITY COUNCIL OF  
22 BALTIMORE OR THE STATE OF MARYLAND, AND ITS OFFICERS AND EMPLOYEES  
23 MAY NOT ACT AS AGENTS OR EMPLOYEES OF THE MAYOR AND CITY COUNCIL OF  
24 BALTIMORE OR THE STATE OF MARYLAND;

25 (8) EMPLOY INDIVIDUALS WHO RESIDE OUTSIDE THE CITY OF  
26 BALTIMORE; AND

27 (9) EXCEPT AS REQUIRED OR APPROPRIATE TO FACILITATE ITS  
28 NORMAL OPERATIONS OR TO THE EXTENT PERMITTED BY AN ORDINANCE  
29 ENACTED UNDER THIS SECTION, INCUR DEBT.

30 (K) BEFORE ENACTING AN ORDINANCE UNDER THIS SECTION, THE  
31 MAYOR AND CITY COUNCIL OF BALTIMORE SHALL:

1           **(1) PROVIDE FOR PUBLIC HEARINGS DURING WHICH**  
2 **CONSIDERATION IS GIVEN TO THE VIEWS OF THE PROPERTY OWNERS, RETAIL**  
3 **MERCHANTS, PROPERTY TENANTS, AND OTHER MEMBERS OF THE BUSINESS**  
4 **AND RESIDENTIAL COMMUNITIES WITHIN THE PROPOSED DISTRICT;**

5           **(2) MAKE A DETERMINATION THAT THE PROPOSED DISTRICT**  
6 **CREATED REFLECTS A DIVERSE MIX OF BUSINESS AND RESIDENTIAL**  
7 **PROPERTIES; AND**

8           **(3) MAKE A DETERMINATION THAT THE PROPOSED DISTRICT**  
9 **REFLECTS A DIVERSE ECONOMIC, SOCIAL, AND RACIAL MIX AMONG ITS**  
10 **RESIDENTS AND WITHIN THE WORKING POPULATION EMPLOYED IN THE**  
11 **PROPOSED DISTRICT.**

12           **(L) THE MAYOR AND CITY COUNCIL OF BALTIMORE MAY NOT PERMIT A**  
13 **REDUCTION IN THE SERVICES PROVIDED BY THE CITY IN THE DISTRICT DUE TO**  
14 **THE ESTABLISHMENT OF THE DISTRICT OR THE AUTHORITY.**

15           **(M) IN THE EVENT OF A DISSOLUTION OF THE DISTRICT OR THE**  
16 **AUTHORITY, ANY UNSPENT FUNDS SHALL REVERT BACK TO THE CITY'S**  
17 **GENERAL FUND.**

18           **(N) (1) AN ORDINANCE ENACTED UNDER THIS SECTION SHALL:**

19                   **(I) ESTABLISH THE PROCESS FOR THE APPROVAL OF THE**  
20 **CREATION OF THE DISTRICT AND THE AUTHORITY; AND**

21                   **(II) PROVIDE THAT UNTIL THE APPROVAL PROCESS IS**  
22 **CONDUCTED AND APPROVAL IS ACHIEVED UNDER THE PROCESS THE DISTRICT**  
23 **AND THE AUTHORITY MAY NOT BE CREATED, AND THE ORDINANCE MAY NOT**  
24 **BECOME FULLY EFFECTIVE.**

25           **(2) THE ORDINANCE MAY PROVIDE:**

26                   **(I) CRITERIA FOR THE ELIGIBILITY OF VOTERS FOR**  
27 **PURPOSES OF THE ELECTION REQUIRED BY THE ORDINANCE; AND**

28                   **(II) PROCEDURES FOR A SPECIAL ELECTION REQUIRED IN**  
29 **THIS SUBSECTION, WHICH MAY BE ADMINISTERED BY WRITE-IN BALLOTS.**

30           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 June 1, 2010.